Mohamad bin S Ahmad & Ors v Lembaga Pengelola Dewan Bahasa dan Pustaka

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NO WA-22IP-37–09 OF 2017
WONG KIAN KHEONG J
3 DECEMBER 2018

Civil Procedure — Pleadings — Failure to plead — Cause of action — Unpleaded causes of action — Whether plaintiffs entitled to rely on unpleaded causes of action — Whether plaintiffs could claim for patent infringement and copyright infringement — Rules of Court 2012 O 18 rr 7(1), 12(1), O 34 r 2(2)(k)

Contract — Agreement — Breach — Whether there was breach of contract by defendant

Copyright — Infringement — Ownership of copyright — Claim for infringement of copyright — Whether plaintiffs had copyright — Whether plaintiffs entitled to claim for infringement of copyright — Copyrights Act 1987 s 38(3) & (9)

Patents — Infringement — Action for — Claim for patent right — Whether plaintiffs had patent right — Patents Act 1983 s 31(2)(a) & (b)

The present suit was initially filed by Darul Fikir, a partnership against Dewan Bahasa dan Pustaka ('DBP'). Darul Fikir applied for an interlocutory injunction against DBP pending the disposal of the present suit. The application of Darul Fikir was dismissed on the ground that Darul Fikir should have sued the Board of Control of DBP ('the board') and not the DBP itself. After the dismissal of Darul Fikir's application, the statement of claim in the present case was amended where all the partners of Darul Fikir became the plaintiff and the board substituted DBP as the defendant. The plaintiffs were in the business of publishing, printing and distributing religious books. Dr Eng Subhi Taha ('Dr Taha') was the owner of patent and copyright in the colour code of an Islamic religious book, Mushaf Al-Quran Bertajwid dan Berwarna ('the book'). Dr Taha owned Dar Al Maarifah, a Syrian company ('the Syrian company'). Darul Fikir and the Syrian company entered into a memorandum of agreement on 1 November 2007 wherein the Syrian company granted exclusive rights to Darul Fikir to publish, print and distribute the book in Malaysia, Singapore, Thailand, Brunei, India, China and Japan. On

2 September 2016, Darul Fikir entered into a contract with the board to print, supply and distribute the book ('the contract'). The board was alleged to have breached cl 15.3 of the contract when the board issued an open tender on 18 September 2017 to invite Bumiputera book suppliers to bid for a contract to print, bind and supply the books for 2018 without obtaining Darul Fikir's written consent. The issues for determination were: (a) whether the plaintiffs could rely on the unpleaded causes of action; (b) whether the plaintiffs or Dr Taha had any patent right in the colour code; (c) whether the plaintiffs could claim ownership of copyright in the colour code; and (d) whether there was breach of contract by the board.

Held, dismissing the plaintiffs' suit with costs:

(1) The plaintiff was mandatorily required by O 18 rr 7(1) and 12(1) of the Rules of Court 2012 to plead necessary particulars of the cause of action relied on by the plaintiff against the defendant. The mandatory requirement was in the interest of justice — to inform a defendant of the cause of action pleaded by the plaintiff against the defendant and would enable the defendant to make adequate preparation to defend the suit. The plaintiffs could only claim one cause of action as pleaded namely the board's breach of contract. The plaintiffs were barred from relying on patent infringement and copyright infringement (see paras 12–13).

(2) The plaintiff had not adduced any evidence regarding any patent in the colour code which was granted by the Registrar of Patents and recorded in the Register of Patents under s 31(2)(a) and (b) of Patents Act 1983 ('the PA'). The copyright and patent in the colour code were owned by Darul Fikir due to the fact that Darul Fikir was the exclusive distributor of the book. If a patent was not granted by the registrar and was not registered in the register, any patent right could not be conferred on the plaintiffs, Dr Taha and any other person. The plaintiffs and Dr Taha had no rights in the colour code which was enforceable under the PA (see paras 15 & 17–18).

(3) There was no evidence that Dr Taha had signed an exclusive licence in favour of the plaintiffs concerning the colour code. The plaintiffs could not sue the board for copyright infringement regarding the colour code. Even if it was assumed that Dr Taha had signed an exclusive license for the benefit of the plaintiffs regarding the colour code, the plaintiffs shall not be entitled to institute a copyright infringement suit against the board except for two circumstances namely when the plaintiffs joined Dr Taha as co-plaintiff or a co-defendant or the court had granted leave for the plaintiffs to commence the present suit without the joinder of Dr Taha. The two circumstances had not been fulfilled by the plaintiffs hence the plaintiffs could not claim for infringement of Dr Taha's copyright in the colour code against the board (see paras 22–23).

(4) It was found that the board had not breached the contract. The contract had lapsed after the expiry of one-year duration and no supplemental contact had been signed by the plaintiffs and the board. The price had been paid in full by the board to the plaintiffs and as the contract was fully performed, there was no provision in the contract which barred the board from issuing the tender (see para 29).

[Bahasa Malaysia summary

Guaman ini pada mulanya telah difailkan oleh Darul Fikir, satu perkongsian terhadap Dewan Bahasa dan Pustaka ('DBP'). Darul Fikir telah memohon injunksi interlokutri terhadap DBP sementara menunggu guaman ini selesai. Permohonan Darul Fikir telah ditolak atas alasan bahawa Darul Fikir patut menyaman Lembaga Kawalan DBP ('lembaga tersebut') dan bukan DBP itu sendiri. Selepas penolakan permohonan Darul Fikir, penyataan tuntutan dalam kes ini telah dipinda di mana semua rakan kongsi Darul Fikir menjadi plaintif dan lembaga tersebut menggantikan DBP sebagai defendan. Plaintif-plaintif menjalankan perniagaan penerbitan, percetakan dan pengedaran buku-buku agama. Dr Eng Subhi Taha ('Dr Taha') adalah pemilik paten dan hak cipta dalam kod warna buku agama Islam, Dr Eng Subhi Taha ('Dr Taha') ('buku tersebut'). Dr Tahan memiliki Dar Al Maarifah, sebuah syarikat Syria, ('syarikat Syria'). Darul Fikir dan syarikat Syria tersebut telah memasuki perjanjian memorandum pada 1 November 2007 di mana syarikat Syria tersebut telah memberikan hak-hak eksklusif kepada Darul Fikir untuk menerbit, mencetak dan mengedar buku di Malaysia, Singapura, Thailand, Brunei, India, China dan Jepun. Pada 2 September 2016, Darul Fikir telah memasuki kontrak dengan lembaga tersebut untuk mencetak, membekal dan mengedar buku ('kontrak tersebut'). Lembaga tersebut dikatakan telah melanggar fasal 15.3 kontrak tersebut apabila lembaga terebut mengeluarkan tender terbuka pada 18 September 2017 untuk mempelawa pembekal-pembekal buku Bumiputera untuk membida kontrak mencetak, mengikat dan membekal buku-buku bagi tahun 2018 tanpa memperoleh persetujuan bertulis Darul Fikir. Isu-isu untuk ditentukan adalah: (a) sama ada plaintif-plaintif boleh bergantung kepada kausa tindakan yang tidak dipli; (b) sama ada plaintif-plaintif atau Dr Taha mempunyai apa-apa hak paten dalam kod warna; (c) sama ada plaintif-plaintif boleh menuntut pemilikan hak cipta dalam kod warna tersebut; dan (d) sama ada berlaku pelanggaran kontrak oleh lembaga tersebut.

Diputuskan, menolak guaman plaintif-plaintif dengan kos:

(1) Plaintif secara mandatori dikehendaki di bawah A 18 kk 7(1) dan 12(1) Kaedah-Kaedah Mahkamah 2012 untuk mempli butir-butir yang perlu bagi kausa tindakan yang diguna pakai oleh plaintif terhadap defendan. Keperluan mandatori ini adalah demi kepentingan keadilan — untuk memberitahu defendan tentang kausa tindakan yang dipohon oleh

plaintif terhadap defendan dan akan membolehkan defendan membuat persiapan yang mencukupi untuk mempertahankan guaman. Plaintif hanya boleh menuntut satu kausa tindakan seperti yang dipohon iaitu pelanggaran kontrak lembaga tersebut. Plaintif dihalang daripada bergantung kepada pelanggaran paten dan pelanggaran hak cipta (lihat perenggan 12–13).

(2) Plaintif tidak mengemukakan apa-apa keterangan mengenai apa-apa paten mengenai kod warna yang telah diberikan oleh Pendaftar Paten dan direkodkan dalam Daftar Paten di bawah Akta 31(2)(a) dan (b) Akta Paten 1983 ('AP'). Hak cipta dan paten dalam kod warna itu dimiliki oleh Darul Fikir berdasarkan fakta bahawa Darul Fikir adalah pengedar eksklusif buku tersebut. Sekiranya paten tidak diberikan oleh pendaftar dan tidak didaftarkan dalam daftar, apa-apa hak paten tidak dapat diberikan kepada plaintif, Dr Taha dan mana-mana orang lain. Plaintif dan Dr Taha tidak mempunyai hak dalam kod warna itu yang boleh dikuatkuasakan di bawah AP tersebut (lihat perenggan 15 & 17–18).

(3) Tiada bukti bahawa Dr Taha telah menandatangani lesen eksklusif yang memihak kepada plaintif-plaintif mengenai kod warna itu. Plaintif-plaintif tidak boleh menyaman lembaga tersebut untuk pelanggaran hak cipta mengenai kod warna itu. Walaupun diandaikan bahawa Dr Taha telah menandatangani lesen eksklusif untuk faedah plaintif-plaintif mengenai kod warna itu, plaintif-plaintif tidak berhak untuk memulakan guaman pelanggaran hak cipta terhadap lembaga tersebut kecuali dalam dua keadaan iaitu apabila plaintif-plaintif menyertai Dr Taha sebagai plaintif bersama atau defendan bersama atau mahkamah telah memberikan kebenaran untuk plaintif memulakan saman ini tanpa pengikat Dr Taha. Kedua-dua keadaan tersebut tidak dipenuhi oleh plaintif, maka plaintif tidak dapat menuntut pelanggaran hak cipta Dr Taha untuk kod warna itu terhadap lembaga tersebut (lihat perenggan 22–23).

(4) Adalah didapati bahawa lembaga tersebut tidak melanggar kontrak tersebut. Kontrak tersebut telah luput selepas tamat tempoh satu tahun dan tiada kontrak tambahan telah ditandatangani oleh plaintif dan lembaga tersebut. Harga telah dibayar sepenuhnya oleh lembaga tersebut kepada plaintif dan apabila kontrak tersebut dilaksanakan sepenuhnya, tiada peruntukan dalam kontrak tersebut yang melarang lembaga tersebut mengeluarkan tender (lihat perenggan 29).]

Notes

For cases on action for infringement, see 10(1) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 1285–1287.

For cases on breach, see 3(2) *Mallal's Digest* (5th Ed, 2018 Reissue) paras 3477–3499.

For cases on failure to plead, see 2(4) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 7482–7490.

For cases on ownership of copyright, see 3(4) *Mallal's Digest* (5th Ed, 2018 Reissue) paras 8129–8130.

Cases referred to

Berjaya Times Squares Sdn Bhd (formerly known as Berjaya Ditan Sdn Bhd) v M Concept Sdn Bhd [2010] 1 MLJ 597, FC (folld)

Chuah Aik King (sole proprietor of Sykt B Three Technology) v Keydonesoft Sdn Bhd [2019] 8 MLJ 515; [2018] 10 CLJ 354, HC (refd)

Darul Fikir v Dewan Bahasa dan Pustaka [2018] 10 MLJ 693; [2018] 5 AMR 392, HC (refd)

Hock Hua Bank Bhd v Leong Yew Chin [1987] 1 MLJ 230, SC (refd)

Kedah Cement Sdn Bhd v Masjaya Trading Sdn Bhd [2007] 3 MLJ 597, FC (refd)

Master Strike Sdn Bhd v Sterling Heights Sdn Bhd [2005] 3 MLJ 585; [2005] 2 CLJ 596, CA (refd)

NVJ Menon v The Great Eastern Life Assurance Co Ltd [2004] 3 MLJ 38; [2004] 3 CLJ 96, CA (refd)

Paramill Sdn Bhd & Anor v Datuk Joseph Pairin Kitingan [2007] 7 MLJ 289; [2007] 6 CLJ 192, CA (refd)

Tindok Besar Estate Sdn Bhd v Tinjar Co [1979] 2 MLJ 229, FC (refd)

Legislation referred to

Copyright (Application to Other Countries) Regulations 1990 regs 2, 3(a), (e)

Copyright Act 1987 ss 3, 3(a), 6, 7(1)(a), (1)(b), (1)(c), (1)(d), (1)(e), (1)(f), (3)(a), (3)(b), 10(1), (2)(a), (3), 36(1), 38(1), (2), (3), (9), 59A, 59A(1)

Dewan Bahasa dan Pustaka Act 1959

Evidence Act 1950 ss 91, 92

Patents Act 1983 ss 3(1), 31(2), (2)(a), (2)(b), 36(1), (2), 58

Rules of Court 2012 O 18, O 18 rr 7(1), 12(1), O 20 r 5(1), (2), (5), O 34 r 2(2)(k)

Mokhzani Haris bin Mohd Yusof (Mohd Najib bin Abas with him) (Amirul & Najib) for the plaintiffs.

Md Radzi bin Mustafa (Syed Zakaria bin Syed Zainal Abidin with him) (Radzi & Abdullah) for the defendant.

Wong Kian Kheong J:

A. BACKGROUND

[1] This suit has been initially filed by 'Darul Fikir', a partnership, against 'Dewan Bahasa dan Pustaka' ('DBP').

[2] Darul Fikir applied for an interlocutory injunction against DBP pending the disposal of this suit ('Darul Fikir's application'). I dismissed Darul Fikir's application with costs ('dismissal of Darul Fikir's application') on the ground that, among others, under the Dewan Bahasa dan Pustaka Act 1959, Darul Fikir should have sued the 'Board of Control of DBP' ('board') and not DBP itself — please see *Darul Fikir v Dewan Bahasa dan Pustaka* [2018] 10 MLJ 693; [2018] 5 AMR 392 at paras 7–8. There is no appeal to the Court of Appeal against the dismissal of Darul Fikir's application.

[3] After the dismissal of Darul Fikir's application, the statement of claim in this case was amended ('ASOC') as follows:

(a) all the partners of Darul Fikir replaced the latter as plaintiffs in this case ('the plaintiffs'); and

(b) the board substituted DBP as the defendant in this suit.

B. THE PLAINTIFFS' CLAIM

[4] The following two witnesses testified in support of this action:

(a) the first plaintiff ('the first plaintiff'); and

(b) Encik Amran bin Mohamad ('SP2'), Darul Fikir's Publishing and Marketing Manager.

[5] The first plaintiff testified as follows, among others:

(a) the plaintiffs are in the business of publishing, printing and distributing religious books;

(b) Dr Eng Subhi Taha ('Dr Taha') is the owner of patent and copyright in the colour code ('colour code') of an Islamic religious book, '*Mushaf Al Quran Bertajwid dan Berwarna*' ('book'). Dr Taha also owns '*Dar Al Maarifah*', a Syrian company ('Syrian Co');

(c) Darul Fikir and the Syrian Co entered into a memorandum of agreement on 1 November 2007 wherein, among others, the Syrian Co granted exclusive rights to Darul Fikir to publish, print and distribute the Book in Malaysia, Singapore, Thailand, Brunei, India, China and Japan; and

(d) on 2 September 2016, Darul Fikir entered into a contract with the board to, among others, print, supply and distribute the book ('contract'); and

(e) the board had breached cl 15.3 of the contract ('cl 15.3') when the board issued an open tender on 18 September 2017 to invite Bumiputera book suppliers to bid for a contract to print, bind and supply the books for 2018 ('tender') without obtaining Darul Fikir's written consent.

[6] SP2 stated, among others, that Darul Fikir did all the work regarding the book from the preparation of its manuscript until its printing.

C. THE BOARD'S DEFENCE

[7] The board's sole witness was Tuan Hj Abdul Khalik bin Sulaiman ('SD1'), Director of the Board's Publication Department. According to SD1, among others:

(a) based on the contract, Darul Fikir was only a contractor to perform work regarding the book as stipulated in the contract. Pursuant to the contract, Darul Fikir was not a co-publisher of the book with the board; and

(b) the contract provided for a sum of RM8,175,998.42 ('price') to be paid by the board to Darul Fikir for the latter's services regarding the book. The board had paid the price in full to Darul Fikir.

D. ISSUES

[8] The following questions arise in this suit:

(a) whether the plaintiffs may rely on causes of action which have not been pleaded in the ASOC but have been stated in the 'statement of issues to be tried' in this case ('agreed issues');

(b) if the plaintiffs can rely on the agreed issues:

(i) whether the plaintiffs or Dr Taha have patent rights in the colour code which are enforceable under the Patents Act 1983 ('the PA')? In this regard, whether a contractual provision can confer patent rights in the colour code on the plaintiffs or Dr Taha; and

(ii) whether the plaintiffs or Dr Taha have ownership of copyright in the colour code pursuant to the Copyright Act 1987 ('the CA'). If Dr Taha is the copyright owner of the colour code, can the plaintiffs claim for copyright infringement without joining Dr Taha as a co-plaintiff or co-defendant as required by s 38(3) of the CA. I am not able to find any Malaysian case which has construed s 38(3) of the CA; and

(c) has the board breached cl 15.3 or any other provision in the contract?

E. WHETHER THE PLAINTIFFS MAY RELY ON UNPLEADED CAUSES OF ACTION

[9] The ASOC had only pleaded one cause of action — the board's breach of the contract. The plaintiffs did not plead that the board had infringed the plaintiffs' copyright and patent regarding the colour code.

[10] The agreed issues (in issues No 1 and 2) had posed questions to this court regarding copyright and patent in the colour code.

[11] The relevant parts of O 18 rr 7(1), 12(1), O 20 r 5(1), (2), (5) and O 34 r 2(2)(k) of the Rules of Court 2012 ('the RC') are reproduced below:

> O 18 r 7(1) *Subject to the provisions of this rule and rules 10, 11 and 12, every pleading shall contain, and contain only, a statement in a summary form of the material facts on which the party pleading relies for his claim* ...
>
> ...
>
> O 18 r 12(1) *Subject to paragraph (2), every pleading shall contain the necessary particulars of any claim*, ...
>
> ...
>
> O 20 r 5(1) *Subject to Order 15, rules 6, 6A, 7 and 8 and the following provisions of this rule, the Court may at any stage of the proceedings allow the plaintiff* to amend his writ, or any party *to amend his pleading, on such terms as to costs or otherwise as may be just and in such a manner, if any, as it may direct*.
>
> O 20 r 5(2) *Where an application to the Court for leave to make the amendment mentioned in paragraph (3), (4) or (5) is made after any relevant period of limitation current at the date of the issue of the writ has expired, the Court may nevertheless grant such leave in the circumstances mentioned in that paragraph if it thinks it just to do so*.
>
> ...
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> O 20 r 5(5) *An amendment may be allowed under paragraph (2) notwithstanding that the effect of the amendment will be to add or substitute a new cause of action if the new cause of action arises out of the same facts or substantially the same facts as a cause of action in respect of which relief has already been claimed in the action by the party applying for leave to make the amendment*.
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> O 34 r 2(2) *At a pre-trial case management, the Court may consider any matter* including the possibility of settlement of all or any of the issues in the action or proceedings and require the parties to furnish the Court with such information as it thinks fit, a*nd the appropriate orders and directions that should be made to secure the just, expeditious and economical disposal of the action or proceedings, including —*
>
> ...
>
> (k) *the filing of a statement of issues to be tried*; ...
>
> (Emphasis added.)

[12] I am of the following view:

(a) a plaintiff is mandatorily required by O 18 rr 7(1) and 12(1) of the RC ('two provisions') to plead necessary particulars of the cause(s) of action relied on by the plaintiff against the defendant ('mandatory requirement'). This mandatory requirement is clear from the word 'shall' employed in the two provisions. The mandatory requirement is in the interest of justice — to inform a defendant of the cause(s) of action pleaded by the plaintiff against the defendant and this will in turn enable the defendant to make adequate preparation to defend the suit; and

(b) O 34 r 2(2)(k) of the RC is not an exception to the mandatory requirement because:

(i) the two provisions are 'subject to' the certain rules in O 18 of the RC (which are not applicable in this case) but not to O 34 r 2(2)(k) of the RC; and

(ii) a plaintiff may only add a cause of action in a statement of claim if the plaintiff applies to the court for leave to do so pursuant to O 20 r 5(1) of the RC. If a new cause of action is proposed after the expiry of the relevant period of limitation, a plaintiff has to satisfy the court under O 20 r 5(2) and (5) of the RC that the proposed new cause of action 'arises out of the same facts or substantially the same facts as a cause of action in respect of which relief has already been claimed' — please see the majority judgments of Abdul Hamid Ag LP (as he then was) and Syed Agil Barakbah SCJ in the Supreme Court in *Hock Hua Bank Bhd v Leong Yew Chin* [1987] 1 MLJ 230, at pp 231–233 and 235–236.

If O 34 r 2(2)(k) is an exception to the mandatory requirement, this will be an unlawful circumvention of the requirement for a plaintiff to apply for leave to amend the statement of claim to add new cause(s) of action as stipulated in O 20 r 5(1), (2) and (5) of the RC.

[13] Based on the reasons explained in the above para 12, the plaintiffs can only claim for one cause of action as pleaded in the ASOC, namely the board's breach of the contract. The plaintiffs are barred by the two provisions from relying on patent infringement under s 58 of the PA ('patent infringement issue') and copyright infringement under s 36(1) of the CA ('copyright infringement issue').

[14] Despite the above decision, I will proceed to discuss patent infringement issue and copyright infringement issue.

F. WHETHER THE PLAINTIFFS OR DR TAHA HAVE ANY PATENT RIGHT IN COLOUR CODE

[15] The plaintiffs have not adduced any evidence in this case regarding any patent in the colour code which has been granted by the registrar of patents ('registrar') and recorded in the Register of Patents ('register') under s 31(2)(a) and (2)(b) of the PA. Section 31(2) of the PA provides as follows:

> 31(2) *Where the Registrar is satisfied that the application complies with sections 23, 29 and 30, he shall grant the patent and shall forthwith —*
>
> (a) *issue to the applicant a certificate of grant of the patent and a copy of the patent together with a copy of the Examiner's final report*; *and*
>
> (b) *record the patent in the Register*. (Emphasis added.)

[16] Section 3(1) of the PA defines an 'owner of a patent' as the person recorded in the Register as the 'grantee' of the patent. Only an owner of a registered patent may exercise exclusive patent rights as provided by s 36(1) and (2) of the PA as follows:

> 36(1) Subject and without prejudice to the other provisions of this Part, *the owner of a patent shall have the following exclusive rights in relation to the patent:*
>
> (a) *to exploit the patented invention*;
>
> (b) *to assign or transmit the patent*;
>
> (c) *to conclude licence contracts*.
>
> *No person shall do any of the acts referred to in subsection (1) without the consent of the owner of the patent.* (Emphasis added.)

[17] I have not overlooked cl 13.1 of the contract ('cl 13.1') which states that copyright and patent in the colour code are owned by Darul Fikir due to the fact that Darul Fikir is the exclusive distributor of the Book. In my view, if a patent is not granted by the registrar and has not been registered in the register, cl 13.1 cannot confer any patent right in the colour code on the plaintiffs, Dr Taha and any other person.

[18] Premised on the above reasons, the plaintiffs and Dr Taha have no patent rights in the colour code which is enforceable under the PA. In any event, cl 15.4 of the contract has provided that the board is not liable for any patent infringement.

A G. CAN THE PLAINTIFFS CLAIM OWNERSHIP OF COPYRIGHT IN COLOUR CODE?

[19] Clause 14.1 of the contract ('cl 14.1') provided that Darul Fikir could commence any action regarding copyright infringement. I am of the view that cll 13.1 and 14.1 do not confer on the plaintiffs any copyright in the colour code because:

(a) s 6 of the CA provides that subject to CA, no copyright 'shall subsist otherwise than by virtue of' CA. The effect of s 6 of the CA is as follows:

(i) a party who claims copyright in any 'work' enumerated in s 7(1)(a) to (1)(f) of the CA, has to prove that the party has fulfilled all the requirements laid down in CA regarding copyright (Statutory Requirements (Copyright)); and

(ii) a contract in itself (including cll 13.1 and 14.1) cannot confer any copyright;

(b) the colour code is a 'graphic work' (please see the wide inclusionary definition of 'graphic work' in s 3 of the CA) and falls within the definition of '*artistic work*' in s 3(a) of the CA. The Statutory Requirements (Copyright) for the colour code are as follows:

(i) as laid down in s 7(3)(a) of the CA, sufficient efforts have been expended to make the colour code original in character — please see *Chuah Aik King (sole proprietor of Sykt B Three Technology) v Keydonesoft Sdn Bhd* [2019] 8 MLJ 515; [2018] 10 CLJ 354 at para 29;

(ii) in accordance with s 7(3)(b) of the CA, the colour code has been recorded in a 'material form' (interpreted in s 3 of the CA to include 'any form (whether visible or not) of storage from which the work ..., or a substantial part of the work ... can be reproduced') — *Chuah Aik King* at para 31; and

(iii) one of the following three alternative requirements has to be fulfilled:

(1) the 'author' of the colour code is a 'qualified person' — please see s 10(1) of the CA. According to s 3 of the CA, the 'author' of the colour code is its 'artist'. Section 3 of the CA provides for the definition of a 'qualified person' as follows:

in relation to an individual, means a person who is a citizen of, or a permanent resident in, Malaysia; and

in relation to a body corporate, means a body corporate established in Malaysia and constituted or vested with legal personality under the laws of Malaysia; (Emphasis added.);

(2) the colour code is first published in Malaysia — please see s 10(2)(a) of the CA; or

(3) the colour code is made in Malaysia — please see s 10(3) of the CA; and

(c) except for the fact that the colour code has been recorded in 'material form' as required by s 7(3)(b) of the CA, the plaintiffs have not adduced any evidence to prove the fulfillment of the other Statutory Requirements (Copyright) for the colour code as explained in the above sub-paras (2)(a) and (c).

[20] The first recital to the contract provides that Dr Taha is the owner of copyright in the colour code ('the first recital'). I am not able to give effect to the first recital due to the following reasons:

(a) s 59A(1) of the CA provides that the 'Minister' (defined in s 3 of the CA as the Minister charged with the responsibility for intellectual property) may make regulations which applies CA to specified countries ('specified countries'). Pursuant to s 59A of the CA, the Minister has made Copyright (Application to Other Countries) Regulations 1990 ('the Regulations');

(b) according to reg 2 of the Regulations, specified countries refer to countries which are members of the Berne Convention for the Protection of Literary and Artistic Works 1886 ('Berne Convention'). Regulation 3(a) of the Regulations states that the provisions of CA shall apply to, among others, artistic works which are first published in specified countries. By virtue of reg 3(e) of the Regulations, the provisions of CA shall apply to persons who are citizens or residents in the specified countries; and

(c) the Syrian Arab Republic has acceded to the Berne Convention and is therefore one of the specified countries for the purpose of the regulations. Dr Taha is presumably a citizen or resident in Syria. Accordingly, by reason of reg 3(a) and (e) of the Regulations, s 7(3)(a) of the CA applies to Dr Taha's claim to copyright ownership in the colour code. The plaintiffs have not adduced any evidence that Dr Taha has expended sufficient efforts to make the colour code original in character.

[21] Even if it is assumed that the plaintiffs have proven s 7(3)(a) of the CA (Dr Taha has expended sufficient efforts to make the colour code original in character) and hence, Dr Taha is the owner of copyright in the colour code, the question that arises is whether the plaintiffs are entitled to commence a copyright infringement against the board. I reproduce below the relevant parts of s 38(1), (2), (3) and (9) of the CA:

38 Proceedings in case of copyright subject to exclusive licence

(1) *This section shall have effect as to proceedings in the case of any copyright in respect of which an exclusive licence has been granted and is in force at the time of the events to which the proceedings relate*.

(2) *Subject to this section, the exclusive licensee shall (except against the owner of the copyright) have the same rights of action, and be entitled to the same remedies, under section 37 as if the licence had been an assignment, and those rights and remedies shall be concurrent with the rights and remedies of the owner of the copyright under that section*.

(3) *Where an action is brought either by the owner of the copyright or by the exclusive licensee, and the action, in so far as it is brought under section 37, relates (wholly or partly) to an infringement in respect of which they have concurrent rights of action under that section, the owner or licensee, as the case may be, shall not be entitled, except with the leave of the court, to proceed with the action, in so far as it is brought under that section and relates to that infringement, unless the other party is either joined as a plaintiff in the action or added as a defendant: but this subsection shall not affect the granting of an interlocutory injunction on the application of either of them*.

...

(9) *For the purposes of this section, the expression —*

'exclusive licence' means a licence signed by or on behalf of an owner or a prospective owner of copyright authorizing the licensee to the exclusion of all other persons, to exercise a right which by virtue of this Act would (apart from the licence) be exercisable exclusively by the owner of the copyright; and 'exclusive licensee' shall be construed accordingly; (Emphasis added.)

[22] Firstly, there is no evidence that Dr Taha has 'signed' an 'exclusive licence' in favour of the plaintiffs concerning the colour code within the meaning of s 38(9) of the CA. On this ground alone, the plaintiffs cannot sue the board for copyright infringement regarding the colour code.

[23] Secondly, even if it is assumed that Dr Taha has 'signed' an 'exclusive licence' for the benefit of the plaintiffs regarding the colour code, pursuant to s 38(3) of the CA, the plaintiffs 'shall not be entitled' to institute a copyright infringement suit against the board except in the following two circumstances:

(a) the plaintiffs have joined Dr Taha as a co-plaintiff or a co-defendant ('joinder of Dr Taha'); or

(b) the court has granted leave for the plaintiffs to commence this suit without the joinder of Dr Taha.

The above two circumstances as stipulated in s 38(3) of the CA have not been fulfilled by the plaintiffs in this case. Hence, the plaintiffs cannot claim for infringement of Dr Taha's copyright in the colour code against the board.

H. WHETHER BOARD HAS BREACHED CONTRACT

[24] The plaintiffs had submitted as follows:

(a) by issuing the tender, the board had breached cl 15.3 which stated in Malay as follows:

> *Kontraktor [Darul Fikir] boleh membenarkan Dewan untuk melantik mana-mana Pihak Ketiga pada bila-bila masa untuk menguruskan penerbitan, pencetakan dan pembekalan Buku Tersebut setelah mendapat izin bertulis dari kontraktor atau pemegang hak cipta dan paten. Perundingan adalah tertakluk kepada perkiraan royalty atau honorarium*. (Emphasis added.)
>
> The evidence of the first plaintiff and SP2 regarding the effect of cl 15.3 had not been challenged by the board's learned counsel during their cross-examination. On this point, the plaintiffs rely on the judgment of Tengku Baharuddin JCA in the Court of Appeal in *Paramill Sdn Bhd & Anor v Datuk Joseph Pairin Kitingan* [2007] 7 MLJ 289; [2007] 6 CLJ 192;

(b) the book stated in Jawi (translated into Malay by the first plaintiff) that DBP and Darul Fikir were co-publishers of the book;

(c) all the three witnesses in this case (the first plaintiff, SP2 and SD1) had testified that the publication of the book was done solely by Darul Fikir. The plaintiffs rely on the parties' conduct to construe the contract. The Federal Court's judgment delivered by PS Gill FCJ in *Kedah Cement Sdn Bhd v Masjaya Trading Sdn Bhd* [2007] 3 MLJ 597 has been cited by the plaintiffs; and

(d) the board did not deny the demand dated 21 September 2017 by the plaintiffs' solicitors (which alleged that the board had breached the contract) ('the plaintiffs' demand').

[25] Firstly, the interpretation of an agreement is a question of law to be decided by the court and not by witnesses through their oral evidence — please see Gopal Sri Ram JCA's (as he then was) judgment in the Court of Appeal case of *NVJ Menon v The Great Eastern Life Assurance Co Ltd* [2004] 3 MLJ 38 at pp 44–45; [2004] 3 CLJ 96 at pp 103–104. Accordingly, the testimonies of the first plaintiff and SP2 regarding the meaning of cl 15.3 is irrelevant. Similarly, the failure of the board's learned counsel to cross-examine the first plaintiff and SP2 on cl 15.3, is also of no consequence.

[26] Secondly, ss 91 and 92 of the Evidence Act 1950 provide that no evidence can be adduced by the plaintiffs and the board to contradict, vary, add to or subtract from the terms and conditions of the contract — please see Chang Min Tat FJ's judgment in the Federal Court in *Tindok Besar Estate Sdn*

Bhd v Tinjar Co [1979] 2 MLJ 229 at pp 233–234.

[27] Thirdly, the contract is a commercial contract which should be construed in a commercially sensible manner — please see the Federal Court's judgment delivered by Gopal Sri Ram FCJ in *Berjaya Times Squares Sdn Bhd (formerly known as Berjaya Ditan Sdn Bhd) v M Concept Sdn Bhd* [2010] 1 MLJ 597 at para 10.

[28] Fourthly, the contract has an 'entire agreement clause' in cl 39 ('cl 39'). Clause 39 reads as follows in Malay:

> 39. *Keseluruhan Perjanjian*
>
> *Perjanjian ini mengandungi keseluruhan persetujuan dan persefahaman antara Pihak-Pihak berkenaan dengan perkhidmatan dan mengatasi serta membatalkan keseluruhan mana-mana perjanjian, representasi, persetujuan, surat, rundingan, persefahaman, syarat-syarat dan terma-terma yang terdahulu sebelum Perjanjian ini berkuat kuasa sama ada secara langsung atau tidak langsung, atau secara lisan atau bertulis, antara Pihak-Pihak terhadap atau berkaitan dengan Perkhidmatan atau perkara-perkara yang melibatkan Perkhidmatan dalam Perjanjian ini.* (Emphasis added.)

According to Court of Appeal's judgment delivered by Nik Hashim JCA (as he then was) in *Master Strike Sdn Bhd v Sterling Heights Sdn Bhd* [2005] 3 MLJ 585 at pp 593–594; [2005] 2 CLJ 596 at pp 607–608, the effect of an entire agreement clause in a contract is that the contract 'constitutes a binding agreement between (the parties) with regard to all matters mentioned in the contract and … the contract does not permit any term to be implied or import any other consideration not in the contract'. Based on cl 39, the following evidence is not material in the interpretation of the contract:

(a) the fact that the book stated that Darul Fikir was a co-publisher of the book together with DBP;

(b) the publication of the book was done solely by Darul Fikir; and

(c) the board's failure to reply to the plaintiffs' demand.

It is to be noted that *Kedah Cement* does not involve an entire agreement clause.

[29] Lastly, I find that the board has not breached the contract. This decision is based on the following reasons:

(a) cll 1.2(f), 4.1, 4.2 and 43 of the contract (cll 1.2(f), 4.1, 4.2 and 43) provided in Malay as follows:

> *Tafsiran*

1.2(f) *perkataan 'secara bertulis' ertinya suatu suratan dalam bentuk bertulis yang diberikan, dikemukakan atau diserahkan secara rasmi antara Pihak-pihak.*

4.1 *Perjanjian ini adalah bagi tempoh satu (1) tahun (kemudian daripada ini dirujuk sebagai 'Tempoh Perjanjian') dan walau apa-apa pun dalam Perjanjian ini, hendaklah dianggap mula berkuat kuasa mulai 19 April 2016 (kemudian daripada ini disebut sebagai 'Tarikh Berkuat Kuasa') hingga 18 April 2017 (kemudian daripada ini dirujuk sebagai 'Tarikh Penamatan').*

4.2 *Perjanjian ini boleh dilanjutkan* atau dipinda*, pada bila- bila masa dengan persetujuan Pihak-pihak secara bertulis melalui suatu Perjanjian Tambahan yang secara khusus merujuk kepada Perjanjian ini dan ditandatangani oleh Pihak-pihak.*

43 *Masa hendaklah menjadi inti pati Perjanjian ini.* (Emphasis added.);

(b) giving the contract a commercially sensible construction as explained in *Berjaya Times Squares*, the plaintiffs and the board have manifestly intended in the contract as follows:

(i) pursuant to cl 4.1, the contract has a duration of only one year (*one-year duration*). According to cl 43, the one-year duration shall be the essence of the contract;

(ii) cl 4.1 prevails over cl 15.3 because the former provision employs the term '*notwithstanding the contract*' (*walau apa-apa pun dalam perjanjian ini*). Clause 4.1 did not state that cl 4.1 is '*subject to*' (*tertakluk kepada*) cl 15.3;

(iii) by reason of cl 4.2:

(1) the contract can only be extended in writing (cl 1.2(f)) by way of a supplemental contract which refers specifically to the contract (*supplemental contract*); and

(2) the supplemental contract has to be signed by the plaintiffs and the board; and

(iv) cl 15.3 can only have effect during the one-year duration (cl 4.1). If cl 15.3 has effect after the lapse of the one-year duration, this will be contrary to cll 1.2(f) and 4.2; and

(c) based on the above interpretation of cll 1.2(f), 4.1, 4.2, 15.3 and 43:

(i) the contract had lapsed after the expiry of the one-year duration and no supplemental contract had been signed by the plaintiffs and the board. Furthermore, the price had been paid in full by the board to the plaintiffs; and

(ii) as the contract has been fully performed, there is no provision in the contract, including cl 15.3, which bars the board from issuing the tender.

A I. THE COURT'S DECISION

[30] Premised on the above evidence and reasons, this suit is dismissed with costs.

B *Plaintiffs' suit dismissed with costs.*

Reported by Mohd Kamarul Anwar

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